

Coins

The summer season adds heat to the bullion gold rush

By Roger Boye

BULLION GOLD coins have been a hot item in some Chicago coin stores this summer, report dealers interviewed in late August.

Predictably most of the dealers say the increase in sales is due in part to the impressive rise in the price of gold. On Aug. 31, gold sold for about \$208 an ounce, nearly \$22 an ounce more than on the first day of summer.

"Whenever there's publicity on gold, our bullion gold coin sales are up. Historically, the American public buys gold in a rising market," said a dealer who works for the Rare Coin Co. of

America, 31 N. Clark St. The company sells the South African Krugerrand, Mexican 50 pesos, and other bullion gold coins that are valuable strictly for the gold, not as collector's items.

Although sales have increased this summer at Rare Coin Co., "we don't have lines of customers at the door; the upswing hasn't been dramatic," the dealer added. Likewise, the First National Bank of Chicago has had only modest gains in bullion coin sales since spring.

However, other bullion coin dealers in Chicago have experienced much heftier increases. Graf Coin Co., 40 W. Washington St., sold twice as many bullion gold coins in July as it did in

March; and sales this summer at Numisco, Inc., 175 W. Jackson Blvd., are 50 per cent above levels attained in the summer of 1977.

The increase at Numisco has been "steady and consistent" there's been no panic buying because the public has become rather sophisticated gold purchasers," said company president Walter Perschke.

TREASURY DEPARTMENT chiefs still are strongly opposed to proposals that the U. S. government produce bullion gold coins or gold medals.

Among the gold-related bills in Congress is one introduced by Sen. Jesse A. Helms (R., N.C.)

that would require the U. S. Treasury to mint and sell 1.5 million ounces of gold annually in the form of medals.

But Treasury Secretary W. Michael Blumenthal thinks the medals would create the erroneous impression that the government will not take the necessary steps to fight inflation. In addition, gold medals would be contrary to U. S. policy to reduce the monetary role of gold, he said in a recent letter to Helms.

An assistant treasury secretary repeated those arguments in testimony before the Senate Banking Committee late last month.